A Synopsis of the thesis entitled

A Study of Pradhan Mantri Jan Dhan Yojana (PMJDY) in Belagavi District of Karnataka (2014 to 2024)

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Introduction :

The "Pradhan Mantri Jan Dhan Yojana (PMJDY)" scheme was fully announced by the Prime Minister of India on 15 August 2014 from the ramparts of the Red Fort, it is a financial inclusion scheme for low-income, and economically weaker people of India. The announcement of this scheme to empower the weak, the Narendra Modi did it. On the state to involve people's economic activity. After 14 days of announcing this scheme, the central government has implemented it completely in India and the central government has accepted the responsibility of financial inclusion and the government has fulfilled the promise within the stipulated time frame.

Immediately after the implementation of this scheme, on that day 7.5 crore bank accounts were opened by the poor women and men of economically weaker rural/urban living in all the states of India by going to the camp and opening accounts with zero balance. And decided to join financial inclusion, thereafter, rural/urban women and men living in all the states of India gradually started opening accounts. The benefits of this financial literacy started a whole lot of overview of the destination of the government reaching its benefits among all.

And the final journey of this scheme is that the benefits of this scheme should reach the people of all rural and urban economically weaker women and men properly by the government.

Twelfth Five Year Plan (2012-17)

- The last Five Year Plan had "Faster, More Inclusive and Sustainable Growth" as its theme.
- The plan aimed at strengthening infrastructure projects, and providing electricity supply in all villages.
- It also aimed at removing the gender and social gap in admissions at school and improved access to higher education.
- Further, it aspired to enhance the green cover by 1 million hectares each year and to create new opportunities in the non-farming sector.

- The target growth rate was 9% but in 2012, National Development Council approved a growth rate of 8% for this twelfth plan.

The Twelfth Plan commenced at a time when the global economy was going through a second financial crisis, precipitated by the sovereign debt problems of the Eurozone which erupted in the last year of the Eleventh Plan. The crisis affected all countries including India. Our growth slowed down to 6.2 per cent in 2011-12 and the deceleration continued into the first year of the Twelfth Plan, when the economy is estimated to have grown by only 5 per cent. The Twelfth Plan therefore emphasizes that our first priority must be to bring the economy back to rapid growth while ensuring that the growth is both inclusive and sustainable. The broad vision and aspirations which the Twelfth Plan seeks to fulfil are reflected in the subtitle: 'Faster, Sustainable, and More Inclusive Growth'. Inclusiveness is to be achieved through poverty reduction, promoting group equality and regional balance, reducing inequality, empowering people etc. whereas sustainability includes ensuring environmental sustainability, development of human capital through improved health, education, skill development, nutrition, information technology etc. and development of institutional capabilities, infrastructure like power telecommunication, roads, transport etc.

Creation of **NITI (National Institution For Transforming India)** Aayog Planning Commission set up on the 15th of March, 1950 through a Cabinet Resolution was replaced by NITI Ayog through another such resolution on 1st January, 2015. Previously, the Planning Commission played a predominant role in determination of Annual Plans & transfer of Plan funds to State Govts, a work now being undertaken by Ministry of Finance. However all that is set to change with constitution of NITI Aayog which has been mandated to work towards fostering cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation. An important evolutionary change from the past will be replacing a centre-to-state one-way flow of policy by a genuine and continuing partnership with the states. In this sense, the Planning Process in India, is poised for a change. The Chief Minister's Sub-group on rationalization of Centrally sponsored Schemes (CSS) has recommended that the number of CSS should be reduced, states should be given more flexibility in implementation of the schemes, CSS be divided into core and optional schemes along

with many other recommendations related to simplification in release of funds, certainty about availability of funds under these schemes in medium term etc.

1.1 The background of the Financial Inclusion:

Financial Literacy Program Initiative in India after independence, such steps taken by the government are named as follows.

1969 Nationalization of Banks Moving Banks to villages can help reduce rural &urban distances and help with financial inclusion and financial empowerment.

1975 Establishment of Regional Rural Banks It played a vital role in financial inclusion in rural areas.

1982 Establishment of NABARD Due to NABARD's rise there has

1992 been arise in financial inclusion in rural people. Launching of the Self Help Group Bank Linkage Programme - with the help of the self-help groups (SHGs) program, capital formation has increased and financial inclusion has been developed in rural areas.

1998 NABARD prepares plan to add Self-Help Groups (SHGs)

2000 SIDBI announced in the establishment of microcredit

2005 Started slowly entering financial inclusion in 2005 after 3 years of linking to self-help groups (SHGs)

2007 Proposed bill on Micro-Finance Regulation introduced in Parliament

2008 Dr. C. Rangarajan Committee submitted a report on Financial Inclusion to the Central Government of India.

2011 Swabhiman Campaign Ministry of Finance Unique Identification Number and Direct Benefit Transfer

2013 (DBT) Scheme

2014 Pradhan Mantri Jan Dhan Yojana (PMJDY), scheme National Mission on Financial Inclusion launched by Prime Minister on 28th August 2014.

The main objective of this scheme is to connect all the families living in the country with the banking facility and to include at least two persons living in each house in this scheme, this is the main objective of the Prime Minister. Is to be included first in this scheme which is outside the main agenda of financial inclusion.

A committee was constituted by the Central Government of India on 4th January 2005, headed by Dr.C. Rangarajan, and in this report, it was also mentioned

that the economically weaker women and men should be included in this scheme so that, there may be some changes in the economic condition and living life. The main objective of the government is to include economically weaker people in the scheme so that the benefit of this scheme can be taken by the poor people. All the achievements received under the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme have been recognized by the Guinness World Record Book.

It is certified by this institution that under the Pradhan Mantri Jan Dhan Yojana. (PMJDY) scheme a total of 1, 80, 96,230 accounts in a week, and the total number of accounts in different states of India is in this type. And along with this, at least two people in each house should be connected to this campaign and their accounts should be opened. Along with this, some facilities are provided which are like financial literacy, banking facilities, credit insurance, and pension scheme, etc. to be completely included in the field.

The main purpose of the Pradhan Mantri Jan Dhan Yojana is to provide the main facilities to all the poor people living in rural and urban areas. Along with this, some facilities are also provided to remove poor people from the clutches of moneylenders, which have been issued across the country. Every bank account is one core connects to the banking system (CBS) of banking facility available on Mobile Banking solution in on time. One of the basic mantras of Pradhan Mantri Jan Dhan Yojana is "Sab Ka Saath-Sab Ka Vikas" which is issued by the Finance Department of the Central Government of India.

1.2 Rationale of the Study and Statement of the Study-

The financial inclusion in recent years have assumed new dimensions. There have been a number of new trends and developments which have not been analysed and need to be addressed.

Financial inclusion scheme of Government of India i.e. Pradhan Mantri Jan Dhan Yojana (PMJDY) will be addressed.

In fact, the Pradhan Mantri Jan Dhan Yojana (PMJDY) has managed to open bank accounts but there is no commensurate increase in the use of these accounts, availability of formal credit or savings in financial institutions especially among the country's marginalized and poor sections. So it was felt necessary to study the performance of PMJDY on the basis of accounts opened and accounts which are operational.

Therefore, the title of the research study is proposed as "A study of Pradhan Mantri Jan Dhan Yojana (PMJDY) in Belgavi District of Karnataka (2014 to 2024)."

1.3 Significance of the Study-

Financial inclusion does not mean only opening of bank accounts though it is the first step of financial inclusion initiative. Financial inclusion means according to Dr. C. Rangarajan (2008) is the process of ensuring access to financial services, timely and adequate credit where needed to the vulnerable groups such as weaker sections and low income group at an affordable cost. So until and unless the accounts are operational, that is, active, low income groups who avail the financial services offered to them at an affordable cost, financial inclusion will not be effective. Therefore along with opening of accounts, accounts should be operational. This study will focus on this aspect.

This research study is basically an analytical study based on both primary and secondary data collected for PMJDY.

The study will have academic contribution in the field of sustainability of financial inclusion programmes in India.

The study can help the policy makers working for financial inclusion in determining whether their objectives are being fulfilled or not.

1.4 Scope of the Study:

1. The scope of the study encompasses the financial inclusion with special reference PMJDY schemes in Belagavi District of Karnataka.
2. The primary data for this study is limited to Belagavi District of Karnataka only.
3. The time frame of the study is from 2014 to 2024 for PMJDY according to the availability of data.
4. The primary data will be collected for this study includes 400 beneficiaries for PMJDY and 40 Bank Managers for the scheme.

1.4.2 Pradhan Mantri Jan Dhan Yojana (PMJDY)

This is India's National mission for financial inclusion to ensure affordable access to financial services like savings and deposit account, remittance, credit, insurance, lending funds. This financial inclusion campaign was launched by Prime Minister of India on 28 th August 2014.

Benefits of PMJDY-

1. There is no criterion for minimum balance.

2. Inbuilt Insurance Cover.
3. Rupay Debit card.
4. The Direct Benefit Transfer.

Key Features-

1. One basic saving account is opened for unbanked person.
2. This is a financial inclusion scheme applicable to 18 to 59 years age group.
3. 4% interest per annum on money deposit is given.
4. Money can be transferred to any other authorized account in India.
5. One lakh accident insurance cover which is enhanced to Rs.2 lakh to new PMJDY accounts opened after 28.8.18.
6. Overdraft facility up to Rs.10,000 is available after operating bank account for 6 months.
7. The Government subsidies can be directly transferred to the beneficiary's account reducing delay and any leakage to get service.
8. The accounts opened under this scheme are Zero balance account and if the account holder wishes to get cheque book, the person has to fulfill the minimum balance criteria in any of the bank.
9. The interest rate charged on the overdraft value will be lower of (base rate+2%) or 12%.
10. The account holder is entitled to take a loan up to Rs. 5000 after six months from opening the account.

1.5 Objectives of the Study:

1. To analyse the impact of Pradhan Mantri Jan Dhan Yojana (PMJDY) as financial inclusion scheme in Belgavi District.
2. To focus on the performance of PMJDY as financial inclusion scheme on the basis of the number of bank accounts opened and the number of bank accounts which are operational.
3. To examine the Bank wise performance of PMJDY in Belgavi District.
4. To throw light on the Taluka wise performance of PMJDY.
5. To find out whether there are any significant association of Satisfaction level with Age, Gender, Social Category, Educational Qualification, Annual Income and Occupation in the sample selected for PMJDY.
6. To recommend suitable strategies for making the above mentioned scheme to be more effective for financial inclusion in in Belgavi.

1.6 Research Questions:

Against the aforesaid backdrop, the following research questions have been formulated for the present study.

1. Is Pradhan Mantri Jan Dhan Yojana (PMJDY) a successful scheme for financial inclusion?
2. Are there any differences in Bank wise performance under PMJDY?
3. How different talukas have performed under PMJDY?
4. Are there any significant association of Satisfaction level with Age, Gender, Social Category, Educational Qualification, Annual Income and Occupation in the selected sample of PMJDY?

1.7 Statement of Hypotheses-

- Impact of PMJDY as a financial inclusion scheme is significant.
- There are significant differences in Bank wise performance on the basis of Number of Accounts opened and Deposits under PMJDY.
- There are significant association of Satisfaction level with Age, Gender, Social Category, Educational Qualification, Annual Income and Occupation under PMJDY.

1.8 Research Methodology:

This being an analytical research on Government initiated financial inclusion scheme it will be based on both Primary and Secondary sources of data.

Primary data- Primary data are collected from some primary sources that is, a source of where the data generate. These will be collected for the first time by an investigator or an agency for statistical analysis. Data that are going to be collected originally for a certain purpose are known as primary data. In this research primary data will be collected from 400 respondents who are beneficiaries of PMJDY. Snowball sampling technique will be used here. Primary data will also be collected from Bank managers in the form of information. The same will be used for overall study and research conclusion.

Secondary data- Secondary data are collected from some secondary sources that is, the data collected by one person or agency but used by other person or agency. The data related to this study will be gathered from various secondary data sources which include Govt websites, information from books, journals, articles, internet, Government offices.

Tools for data collection- One structured questionnaire will be framed for collecting primary data from 400 respondents of PMJDY. One structured schedule for interview of 40 Bank managers will be framed to collect primary data for PMJDY.

A pilot study will be conducted among 100 beneficiaries for PMJDY. The early stage of pilot survey will be exploratory and unstructured interview and will become very crucial in framing the structured questionnaire for the Survey.

Presentation of Data and Analysis of Data-Data collected from primary and secondary sources will be presented through tables and graphs for comparison and analytical study.

The hypotheses that have formulated will be tested by using appropriate statistical techniques like ANOVA, t test and Chi-Square. R software for statistical analysis.

1.9 Chapter Scheme-

The present study is organised according to the following chapter scheme.

Chapter One: Introduction

Chapter Two: Review of Literature

Chapter Three: Theoretical Foundation of the Study

Chapter Four: Research Methodology

Chapter Five: Data Presentation, Analysis and Interpretation

Chapter Six: Findings, Conclusion, Suggestions and Recommendations

1.10 Limitations to the Study-

1. Government of India initiated a number of financial inclusion schemes but this study will be focused on only PMJDY.
2. The sample for the scheme will be collected through Snowball sampling which has its own limitations of not being probability sampling.

   This Snowball sampling has chosen due to the fact that all the banks and Financial Institutions might deny giving phone no and address of the beneficiaries as they are not supposed to disclose the identity of their clients which is confidential. Beneficiaries might be also reluctant and scared to share their banking details with unknowns. Therefore samples will be collected through Snowball sampling.
3. The analysis of the PMJDY will be based on the data till 2024 respectively based on availabilities of secondary data.

1.11 Expected Contributions:

The study is expected to open new domains of knowledge to people who want to study this area.

It is expected that the findings of this study will open new dimensions for young researchers to carry forward this study for financial inclusion further.

The suggestions and recommendations will help to strengthen the process of financial inclusion.

1.12 Scope of Further Research-

1. State wise analysis can be done further.
2. The analysis for the scheme can be carried forward for the years to come.

2: References:

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